

**FISCAL NOTE**

**SB 1903 - HB 2222**

April 1, 2005

**SUMMARY OF BILL:** Requires hospitals to develop two programs of payment allowances for qualified self-pay patients. One program would include qualified self-pay patients who are eligible based on family income for discounts determined by each facility. The other program would include patients with household incomes up to 300% of the federal poverty guidelines and includes a discount that restricts charges to no more than 120 percent of the applicable Medicare rates and a description of the methodologies developed by the hospital. This bill prohibits hospitals from foreclosing on homestead property that is owned by a qualified self-pay patient and from seeking a court order to force payment of hospital bills for medical services provided to qualified self-pay patients.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Could lead to an increase in hospital rates to cover the loss of revenues from the discounted prices offered to self-pay patients which could result in an increase in expenditures for the state and local govt. health insurance plans and an increase to the TennCare program MCOs reimbursement to hospitals.**

**Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Any increase in hospital rates will result in an increase in health insurance premiums which cannot be determined.**

Assumptions:

- Many of the individuals who would be qualified to participate in this program are not paying full charges at present, if any payment for services is made at all.
- This bill does not require a payment plan for services not covered by Medicare, Medicaid, or worker's comp.
- Patients that do not provide income information or own assets exceeding 50% of the billed charges are not eligible.
- Most hospitals currently refer individuals with no insurance to the Department of Human Services to file an application for Medicaid/TennCare benefits.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director